

SUGAR TRUST, CONSTANT THIEF

Fingers in the Treasury, and the Public Officials Indifferent to It.

THEFT OF MILLIONS EASY

With Evidence in Front of Their Noses the Officials Let the Trust Do Its Plucking.

Flamboyant Methods on a Colossal Scale—The Same Carcasses Weighed and Underweighed and Both Sets of Figures Presented to the Officials on the Same Sheet of Paper—Duty Paid on the Short Weight; Freight on the Real Weight—Effort to Steal From Carriers Blocked—Roosevelt's Attention Called to the Stealing Here When He Told the Story of Wrecking the Big Philadelphia Refinery—Shippers' Fight to Get Wrongly Blighted Ineffective—Independents Found It Wise to Keep Still—Story in Detail.

The sugar trust has stolen boldly and enormously, as the subjoined article shows, from the United States Treasury for at least twenty years. It stole with the assistance of officials employed by the United States. It was aided and protected in its stealing by powerful politicians.

The direct evidence of the sugar trust's crimes has lain in the New York Custom House since the stealing began. Practically every payment of duty on sugar made by the trust bears on its face the proof of robbery—the true weight and the false. Those who knew that the sugar trust was a thief and who sought for legal proof in the Custom House records were referred to the thief itself.

George H. Earle, Jr., offered to lay bare the sugar trust's full iniquity to President Roosevelt and Attorney-General Bonaparte. Mr. Earle was rebuffed and left complete discouragement. For one year after that the sugar trust continued to steal.

The facts show that the sugar trust could not have stolen upward of \$30,000,000 without the cognizance of Treasury officials and the patronage of politicians. The same cargoes were weighed and underweighed. The trust paid freight on the actual weight. It paid duties on the underweight. It stole from 5 to 10 percent of the duty on every cargo.

The trust tried to blackmail the carriers of cargoes by pretended expropriations of sugar. It weakened when the carriers threatened to tell the truth. It succeeded in part of its blackmail because the carriers feared they would be driven out of business.

The trust's power was such that it secured a special rate of estimating duties. This enabled it to juggle figures in the New York Custom House so that it apparently got small refunds, while in reality it got large repayments.

Shippers of sugar the world over know of this robbery. Carriers knew it. Weighers knew it. Officials within the Custom House itself must have known it. The sugar trust alienated revelations.

The story of the trust's robberies and its power to hide them is presented herewith.

STORY OF COLOSSAL THEFTS.

The Way the Sugar Trust Did Its Stealing—Methods and Their Results.

The American Sugar Refining Company, the sugar trust, has had the New York Custom House in its grip and its fingers deep in the United States Treasury for more than twenty years. In that twenty years it stole upward of \$30,000,000 with the assistance or connivance of powerful and petty politicians. Men of both parties did the stealing and shared in the plunder.

Complaints against the thieving and tyranny went unheeded here and at Washington. Investigations were blocked or diverted into side channels. Reports which disclosed a system of roteness were buried in pigeonholes. The sugar trust, a big thief with big friends, was nursed and protected.

The day the sugar trust assured itself that the New York Custom House was in its control it began to divert all of its expropriations of raw sugar to the place where its friends drew Government pay. Custom houses at other ports no longer had to handle any large importations of sugar for the American Sugar Refining Company. The vast volume of business in this port made New York the only possible centre for widespread frauds.

lie revenue, because of the trust's connection with the powerful politicians was not punished like the dressmaker. No attempt was made to compel it to turn over to the Federal Government the value of the sugar on which it had stolen duties for all this time.

The trust has been compelled merely to make partial restitution of the duties it should have paid under the tariff on this smuggled sugar. As its punishment for the robbery that had gone on for twenty years it was asked to pay and gladly paid the trivial sum of \$135,000. That is all that the jury in the United States Circuit Court in April, 1909, before which only a partial story of the frauds was brought out, was asked to fix as a punishment for the biggest thief ever caught in this country, a corporation capitalised at \$30,000,000.

That the Government could have been more severe with this thief that had stolen millions from the Treasury is indicated by the Government itself when in the opening address by the Federal District Attorney, Henry L. Stimson, before the same jury it was stated that the Government could have asked for something like \$35,000,000 in entries made in the last three years and not covered by the statute of limitations. It did not ask for any respectable part of this sum, even though counsel for the trust had informed its own directors that a total of \$30,000,000 could have been demanded.

EVERY GOT REFUND PAYMENTS.

The gigantic nature of these frauds is told in records in the Custom House. The records show the amount of sugar brought to this port in the twenty years, the amount upon which the trust paid duties and the amount which it stole. The sugar trust was not only withholding money it should have paid into the United States Treasury. It was actually receiving checks from the Custom House for the money it was stealing from the Government.

There was hardly a single entry of sugar made by it at the Custom House in which a refund charge does not appear and a refund payment of such an amount as to attract the attention of the man who was turning over the Government's money to the sugar trust. The sugar trust's system of robbery was so perfect that it robbed the Treasury going and coming. It got the money both ways.

This condition of affairs at the port of New York was made a subject of complaint by certain ship owners as far back as 1894. In that case it was taken to Collector Jacob T. Kilbreth. He was supposed to have made an investigation. The results of that investigation never became known if it was made. Thereafter the frauds became even more glaring. In 1908 inquiries addressed to Collector Stranahan on the part of ship owners met with such a response that these men felt convinced that it was useless to attempt to bring the situation to light.

To have done so would have resulted in a demand for evidence. That evidence apparently was sealed up in the Custom House. If you asked for records at that time or any other time that would have convicted the late Henry O. Havemeyer or other sugar trust officials who were told at the Custom House that Mr. Havemeyer's consent was necessary before such records could be released. If you asked Mr. Havemeyer he referred you back to the Custom House. You went around a ring and you never reached a record.

Later the matter of these frauds was laid before President Roosevelt and his Department of Justice, with other matters showing the sugar trust's attempts to ruin a rival refining concern. No interest was taken in the charges concerning the sugar trust's guilt as a smuggler and thief, and the charge of conspiracy was dismissed by Attorney-General Bonaparte as being absolutely untenable in a court of law because of decisions of the Supreme Court.

INFORMER STATES AN INQUIRY.

It was not until a year had elapsed from the time that Mr. Roosevelt was called on by the Treasury Department, was called on by an informer, a man of poor reputation, the attempt to catch the thief in his act, an attempt which resulted in revealing the weighing frauds on the docks and the fixing of the sugar trust just \$135,000.

The influence of the man at the head of the sugar trust during the period covered by the stealing was so far-reaching and certain in its effects that the glaring evidences of theft contained on the records at the Custom House could not be seen by Government officials who had power to check robbery instantly.

The books at the Custom House didn't balance. That seemed to worry nobody, either here or at Washington. The enormous refunding charges being paid the sugar trust, as shown by the entries at the Custom House, caused no surprise from officials. Apparently these discrepancies were accounted for by Federal officials with the same equanimity as they were in the main office of the American Sugar Refining Company, whose books did not balance either. The sugar company was paying for 5 per cent. more sugar on an average in practically every cargo it was importing than it was paying duty on.

Furthermore the trust's books showed that it was not only paying for thousands of tons more sugar than were entered at the Custom House but that it was paying the carriers of this foreign sugar freight charges on the same basis without objection. Its own records show that it was granting receipts at the dock to these carriers for honest weight, while the customs officers under its influence were returning to the Custom House and entering upon the books at the Custom House a fraudulent weight by which it was stealing in each cargo an average of \$135,000 in duty.

CARRIERS AND WEIGHERS KNEW THE TRUTH.

The carriers, knowing both weights were aware that something was wrong, but over them stretched the menacing hand of the sugar trust. It could tie up their cargoes by putting them in bond and it could delay the liquidation of freight and other charges for months. A quick settlement was essential to their welfare. They knew that crooked work must be going on, but they knew the power of the sugar trust and its far-reaching influence. They regarded an investigation as practically hopeless. They knew that an attempt to get real evidence which would show the scandal to the people was an impossible undertaking.

There was another set of men who knew what the sugar trust was doing, the weighers on the docks. Some of these

men had reason to know that they must stand for the system or lose their jobs. They knew that anybody who balked would suffer, because the main office of the sugar trust was sure to call up the Custom House and demand that the honest weigher be removed. Sometimes it did not take twenty-four hours to shunt a square man out of the service. It is on record that in one case a weigher, apparently new to his job and its peculiar requirements, thought it necessary to make a report of what was going on under his eyes. He reported in writing to a Deputy Surveyor. The next day he was transferred.

On the part of the humble weighers, men receiving small salaries in the customs service, it was regarded generally as suicide to report the truth or to refuse to stand for a system that had been going on for years.

The exact nature of the frauds by which the sugar trust robbed and of some of the attempts made to expose them, involving certain correspondence which passed between the sugar trust head, the late Henry O. Havemeyer, and the authorities at the Custom House, THE SUN is able to present this morning. The exact amount of these frauds is on record at the Custom House.

JUST A MATTER OF ARITHMETIC.

An attempt has been made to convey the impression that the amount could not be totalled. The fact is that the figures are there. To get at the amount stolen by the sugar trust it is necessary to overhaul the entries at the Custom House, to total their bills of lading weight and their return weight as certified by the Government weighers and to do a simple problem in arithmetic.

Every entry is there and every entry bears both figures, honest weight and false weight, both on the same sheet of paper. Hereafter it has been impossible to extract from the Custom House or from any Federal official with sufficient power the two sets of figures. If Congress names a joint commission to investigate all forms of customs roteness it is believed that about the first business of the commission will be to call for the comparative entries.

In establishing a system by which it carried on fraud and stole money from the Government the men who did the planning were careful to hide their own tracks as much as possible. For example, a large proportion of the foreign sugar brought into this country comes from Java. Instead of buying the sugar from the shippers or their agents here, the sugar trust took pains apparently to buy the invoice at the point of shipment. In this way it was spared any possible embarrassment of having the sellers of the sugar know what it was doing at the New York Custom House. Buying the invoice in Java, the sugar trust was the only one then to have dealings at the Custom House here. The merchants in Java selling the invoice to the sugar trust simply drew on London for the value of the sugar given in the invoice. London drew on New York. The sugar trust settled the bill here.

FULL WEIGHT CARGOES DECEIVED.

With the carriers of the sugar it was different. They were responsible for seeing that the amount of sugar they received in Java was the amount they delivered at the docks of the company here. There wasn't a carrier of sugar who didn't know that the amount of sugar put into the ship at Java should be the same as the amount discharged at New York. The sugar they received they knew was dry sugar. The amount of moisture to evaporate and thus reduce weight they had reason to know was negligible. The reduction of weight through evaporation on a shipment of sugar from the Dutch East Indies on the ordinary steamer is not more than one-half of 1 per cent. The maximum amount known to the shipping interests is 1 per cent. It should have been the same as putting a pound of sugar into a sealed tin pail, taking it out, weighing it again and finding the same amount of sugar. It was therefore impossible, owing to the nature of the business, for the sugar trust to hide its tracks from the carriers.

Not content with having devised a system by which it could defraud the United States Government the trust years ago sought to defraud the shippers. It proposed to exact from them an allowance for so-called "shrinkage" in cargoes of from 2 to 3 per cent. It was cheating the Government out of 1 and 10 per cent.

FIGHT ON CARRIERS COMPROMISED.

The carriers kicked. Some of them were owners of tramp steamers under the British flag. There was a fight between some of these shippers and the trust. They laid the matter before a firm of lawyers in New York who represented the English shipping interests. This was in 1895 when after a period of a few years of no duty sugar had again become dutiable and the system of stealing from the Government, abandoned in 1890 with the advent of free sugar, had started up again on the machinery of bonded and the grafting in full operation.

Out from the holds of these steamers the trust began to take sugar at Williamsburg and the Government weighers began to certify weights 8 or 9 per cent. below the bill of lading weight, the weight that the skipper and his agents knew had been put aboard his vessel at the place of embarkation. The trust tried to make these skippers believe that the weight certified to by the Surveyor of this port was the correct weight, that therefore the trust had lost 8 or 9 per cent. of its sugar on the voyage and that proper allowance should be made in charges.

The lawyers before whom this was placed with the statement of the shipper that such extraordinary loss of weight could not occur first fought it out with the sugar trust. The trust, fearful that the dispute would blow the lid off the whole scandal, compromised it. It was agreed that an allowance of 1 per cent. should be made. Every shipowner knew that that amount was absurd. With the managers of the trust in a position to tie up shipments in bond and visit the carriers with other forms of tyranny the masters of vessels accepted this figure, and it so remains, though a true weight taken at other ports where the customs service has not been permeated with graft and thieving shows how greatly in excess this is of any loss in cargo.

After this compromise was effected and these shippers had submitted to blackmail they decided that this was a condition which the Government of the United States was by far the worse sufferer and that it was in reality

nothing short of robbery. They decided, therefore, to bring it to the attention of the Collector, who was at that time J. T. Kilbreth. The statement, drawn up by lawyers representing the protesting carriers, of what was going on and had been going on for years, during the operation of the former tariff as well as the one in force, should be on file at the New York Custom House or in the Treasury Department at Washington, 4,000,000 POUNDS OF SHORT WEIGHT.

It was pointed out that in one year out of twelve vessels loaded with Java sugar and discharged here nine which delivered sugar to the sugar trust showed a difference in weight of 4,111,235 pounds as returned by the Government weighers, meaning a loss in duty to the Government of \$68,000. The loss on three vessels not carrying cargoes for the sugar trust was negligible. One steamer arriving in New York on February 11, 1905, showed a loss of 8 per cent. What was done about this remains to be brought out by an investigation by Congress, or anybody empowered to bring to light the workings of the huge system of graft.

It is known that Collector Kilbreth did make some sort of an investigation, but nothing was done to stop the stealing and the frauds became even more outrageous and open. The Democratic party was in power at that time. It had been charged only a short time before in an investigation made by the United States Senate into the way in which Mr. Havemeyer and his sugar company had been protected in making up a tariff law that Mr. Havemeyer had contributed the sum of \$500,000 to the Democratic campaign fund. It was charged that a Cabinet officer had said that the Democratic party could not afford to ignore "honorable obligations."

If Collector Kilbreth ever made a report it was another by powerful influences at Washington which did not want to see the sugar trust shown up as a plain thief and which feared the general scandal. The graft ring from that time increased in power and the amount of shrinkage, as shown on each entry in the Custom House, straightway jumped.

In 1898, just before a Republican Administration came in, six vessels of one firm of agents brought sugar into the port of New York to the sugar trust. An average loss by the Government weight of nearly 10 per cent.—9.95 to be exact—was shown. But the sugar trust had ceased trying to steal money from the carriers at that time. In the case of one vessel the trust paid \$2,100 more in freight than would have been justified by the weight as certified to by the returns of the Government weighers on the dock. On that one vessel a little amount like \$130,000 in duties was stolen.

In some years the sugar trust became more rapacious than in others, but making up an average for twenty years it comes to about 5 per cent. shrinkage. Part of the saving in duty, represented by false weights, was being actually paid in cash by the Government to the sugar trust on the basis of shrinkage.

CHANGE IN CURRENT OF TRADE.

As this system grew and developed and increased in perfection there began to be a curious change in the current of trade. In 1892 Philadelphia was receiving annually 492,000 tons of foreign sugar. This was 22 per cent. of the total amount of foreign sugar brought into the three principal ports, New York, Boston and Philadelphia, a total importation amounting at that time to 1,800,000 tons. As compared with Philadelphia's 492,000 tons, New York was receiving 700,000 tons.

Beginning with the year 1894, when, because of the restoration of a tariff on sugar, robbery became essential to the trust at the port of New York, the importations elsewhere began to shrink fast. In a few years they had diminished to about 20 per cent. at Philadelphia. In the last eleven years, the years that have seen the graft and thieving at its highest point, Philadelphia has received an average of 375,000 tons of sugar a year, although the total importations of sugar have increased to 2,000,000 tons a year. At New York there was passing through the Custom House in the last eleven years an average of 1,400,000 tons, or twice as much as before. Philadelphia's proportion of the total importations had shrunk to 19 per cent.

NO FAVOR TO INDEPENDENTS.

Practically all the sugar brought into the port of Philadelphia was by independent shippers. Their sugar as well as the sugar being brought into Boston by independents was being weighed correctly by Government weighers employed at the Philadelphia and Boston Custom Houses, and the outturn weight of the cargoes practically was agreeing with the weight shown on the bills of lading.

The United States Government was not being robbed at the ports of Philadelphia and Boston. It was being robbed and robbed systematically at the port of New York, where the sugar trust had suddenly diverted practically all of its importations. Had any such system been attempted by the sugar trust and connived at by the Treasury officials at Philadelphia or Boston it would have been too potent. The thieves in both camps, sugar trust and politics, never could have got away with it. No Collector at those places could have pleaded ignorance of it. But in New York, which handles the bulk of importations for the whole United States, the stealing, big as it was and barefaced as it was, could be covered up effectively so far as the records and public reports went.

At the time this trade was diverted to the port of New York the biggest and most modern refineries were on the banks of the Delaware, with direct rail connections with every part of the country. The trust had gobbled up all but one of these refineries. It had shut up most of them. Practically the only sugar that it refined at all thereafter at Philadelphia was domestic sugar or sugar from the Hawaiian Islands, which came in duty free and did not in consequence give thieves a chance.

There is standing on the banks of the Delaware to-day a refinery which from the day it was taken over by the trust ten years ago has not opened its doors. That refinery is the biggest pile of bricks in Philadelphia. It is equipped with the most up to date machinery and time and labor saving devices. It could open up and refine sugar in twenty-four hours, but the trust has no use for it.

Running any kind of refineries in Philadelphia.

NEW YORK, NOVEMBER 11, 1909. (By Special Telegram.)

delphia interfered with the system that had been perfected of stealing from the Government with the help of Federal officials.

In perpetrating frauds at the port of New York the trust heads succeeded in getting a Treasury regulation which helped them. This was in the matter of estimating duties. It allowed them to be paid on the arrival of a sugar cargo to take a rate of duty lower than the average rate at which the duty was liquidated finally. Like every importer, the sugar trust when a cargo of sugar from Java arrived here had to make an entry at the Custom House. The entry is a blank on which is set down the name of the steamer, the master, the port from which the sugar had come. It shows the bill of lading weight, that is the weight on which the sugar trust had paid the seller of the sugar. It shows also the value of the sugar.

This form of entry is made in duplicate at the Custom House. An estimating clerk, taking the bill of lading weight, then estimates the duty on the consignee. Another clerk must compare the entry with the vessel's manifest to see that there is no cheating. This estimated duty the sugar trust had to pay before it could get a permit to land the sugar. It had to put up a bond as a guarantee that it would pay for any excess duty there might be after the Government had weighed the sugar and noted any difference between the weight at the dock and the bill of lading weight.

REFUNDS KEPT DOWN APPARENTLY.

The average rate of duty on the sugar imported from Java is 1.74 cents a pound. That rate has been used in estimating the duty the trust would have got back from the Custom House in the case of each cargo as a result of the false weight made at the docks by the Government weighers a refund too large to insure the safety of the system of theft. The refund in that case would have been so extraordinary that it could not fail to have attracted attention. It would have meant a refund to the trust in the case of a cargo of 12,000,000 pounds of about \$13,000, which of course had nothing to do with the duty.

In order to reduce this amount that the Government would be paying out of its till to the sugar trust a lower rate of duty was taken for the estimate. This rate was 1.85 cents a pound. In the case of the steamer Dunbar, which arrived here on September 7, 1904, the entry showed a bill of lading weight of 11,745,897 pounds. Had the average rate of duty been used in estimating the duty in this case the sugar trust would have had to take in gold to the Custom House at the beginning of the transaction \$204,834. Instead, with the rate of duty fixed at 1.85 cents through the connivance of the Government with this plan of stealing, it had to take to the Custom House only \$187,729.

In this case the Government weighers certified that the cargo weighed only 11,032,016, a shortage of 702,671 pounds, or about 6 per cent. of the real weight. On this weight the duty was liquidated at the proper rate, amounting on that basis to \$192,563. That meant a difference between what the sugar company had paid over to the Custom House as the estimated duty and the amount actually fixed by reason of the false weight of \$5,000. That amount was paid over by the cashier of the Custom House to the sugar company as a part of the duty out of which the Government had been defrauded.

The amount which the sugar trust had stolen from the Government in this transaction was \$12,285. Had the sugar trust taken \$204,834 to the Custom House on the arrival of the vessel and before her discharge that would have meant a total refund to the company of \$12,224 instead of the \$5,000 which was actually refunded.

SPECIAL CONCESSION FOR SUGAR.

In this case all of these figures appear on the entry blanks at the Custom House—the amount of the bill of lading weight, the amount of the false Government weight, the difference between the two, the amount the company paid in on the estimated weight and the amount the Government paid back to it by reason of the false weight. It is the same with every entry showing an importation of sugar by the American Sugar Refining Company while these frauds continued.

In the case of no other kind of merchandise, apparently, the estimated rate of duty made so much below the real rate. The sugar trust was allowed to carry up its thieving in the Custom House while it was stealing on the docks. This plan made a small refund payment shown on the books of the Custom House, whereas in effect a large refund payment had been secured.

The juggling of figures in the Custom House went on through a score of hands. It was in the Surveyor's office that the false weight was entered on the entry blank and the difference in weight revealed. But this entry blank had to pass through the office of the Deputy Collector, an estimating clerk, a manifest clerk, and finally to the cashier of the Custom House, who had to turn over to the trust part of the money it was stealing under this system.

The Surveyor, moreover, had to certify on request to the carriers or agents of a vessel bringing the sugar the amount of the Government weight. A certificate stating that the weight was a correct transcript of the weigher's dock book filed at the Surveyor's office had to be given to the agents of the vessel. In the case of the Dunbar this certificate bore the signature of W. Benymann, a deputy surveyor.

From Oliver Spitzer, superintendent of the Williamsburg refinery of the sugar trust, a certificate would be obtained showing the true weight of the cargo as weighed by the licensed duty weighers, acting for the consignors, alongside of the Government weighers, which weight would practically agree with the bill of lading weight. The sugar trust was not trying to cheat anybody but the Federal Government.

DEVICES TO SECURE FAKE WEIGHT.

What occurred on the docks has been told in connection with the Government's prosecution of the trust which resulted in that \$135,000 fine. Only one way by which these frauds were accomplished was shown up in the testimony, the use of a plane wire device by which a false balance was secured. In the twenty years or more that this thieving has been going on under official protection all sorts of devices have been recorded

to in order to obtain false weight and yet make a pretence of correct weighing on the docks.

At times the sugar trust even resorted to the use of good old salt. The trust would feed salt to the horses drawing the trucks until the animals became thirsty and drank heavily of water. Then these horses would go on the scales and be weighed by the Government weighers in order to get the proper allowance to be made for horses and truck. Between that time and the time the horses would haul the sugar on the scales the weight of the horse would have been considerably reduced. That was only one shady trick.

The trust got up a system of light trucks. The weighers would take the weight of the trucks that supposedly were to be used—trucks of much heavier construction—and then the specially made light trucks would be substituted. This went on in the most barefaced manner right under the eyes of men paid salaries by the United States Government.

SPECIFIC FIGURES FOR SPECIFIC YEARS.

A few figures will show the extent of these weighing frauds. In 1902, out of fifty-seven cargoes of Java sugar the Government got an even break on only two cargoes. On the other fifty-five the weight on which duty was paid was 1,500,000 pounds less than the bill of lading weight for which the sugar sellers of Java were paid.

In 1903 the difference in 47 cargoes amounted to 2,000,000 pounds. In 1904 the difference on 66 cargoes amounted to 2,250,000 pounds. In 1905 the difference on 57 cargoes was 2,900,000 pounds. In 1906 the difference on 47 cargoes was 2,900,000 pounds. In 1907, up to the time they were caught, the difference on 62 cargoes was 2,350,000 pounds.

These are figures selected and brought out by the Government in its suit. They do not represent by any means the total amount of sugar on which the trust stole duties. That can be arrived at only by a careful computation made from the records that are or should be in the Custom House to-day.

In 1908 some of the shippers who had been aware of this difference in weight and who had become convinced that the Government was the victim of a tremendous swindle, one of the biggest ever concocted, decided to look into the matter with a view of obtaining if possible certain evidence which would go to show it. They wanted indisputable evidence. They felt that because of the far-reaching influence of Havemeyer and the sugar trust heads and their political friends it would be useless to make this matter the subject of complaint unless documentary evidence could be submitted, documentary evidence that would be a sufficient reply to a cry for proof.

At Washington the sugar trust was evidently protected by politicians of immense power. In New York the Custom House was regarded as a cog in the Republican machine. The henchmen of the Republican machine made up its service. Because of the relations of politicians to the trust they were convinced they would be combated and discredited were they to move without indubitable evidence.

These shippers, some of them representatives of vessel owners, had secured certificates from the Surveyor's office showing the weight taken at the refineries of the trust. They had of course the bill of lading weight of the cargoes these vessels had brought in. But the entry slip, the chief document that enters into the handling of cargoes by the New York Custom House, was what they desired in the way of proof. They knew that this slip, under the Treasury regulations, must show a complete record of the transactions involving a cargo from its arrival until the final liquidation of the duty. An entry slip, they knew, would be damning evidence of fraud.

EFFORT TO COAX OUT THE EVIDENCE.

Before trying to obtain from the Custom House such evidence as this it was decided to write H. O. Havemeyer as president of the American Sugar Refining Company and ask him for the figures concerning weights of sugar on which he had paid duty on certain cargoes. In the correspondence that follows the names are withheld for the present. These letters were written by the representative of the owners of a vessel. It was thought that Mr. Havemeyer could scarcely refuse to furnish the required information. The first letter to Mr. Havemeyer was:

OCTOBER 5, 1909.
Henry O. Havemeyer, President American Sugar Refining Company, New York City.

DEAR SIR: In 1902 in company with Messrs. who with myself constituted a committee of the owners of a vessel, I had an interview with you at your New York office and shortly thereafter a circular of which the enclosed is a copy was issued. The object of the present communication is to ask if you would be good enough to inform me as to the liquidated delivered weights on which the undermentioned cargoes of Java sugars discharged at New York as below. Awaiting the favor of a reply, yours respectfully.

The letter referred to certain data as to steamers and sugar weights as the basis of the request. No reply to this letter was received. Another was sent:

OCTOBER 15, 1909.
Henry O. Havemeyer, President American Sugar Refining Company, New York City.

DEAR SIR: Under date of October 5, 1909, I addressed you as per carbon herewith and accompanying enclosure, and as I have had no response thereto I assume my letter has gone astray and therefore hand you duplicate copies herewith. Yours respectfully.

Mr. Havemeyer remained silent until October 19, when he wrote the following letter:

117 WALL STREET.
DEAR SIR: The matter to which your communications of October 5 and 15 refer is the property of the New York Custom House, to which you are respectfully referred. Yours truly,

H. O. HAVEMEYER.

A letter was then sent to the Collector of the Port at that time, Nevada N. Stranahan. Its form was substantially the same as the letters to Mr. Havemeyer. What happened to this request is shown in the following letter:

UNITED STATES CUSTOMS SERVICE,
PORT OF NEW YORK,
OFFICE OF THE COLLECTOR,
OCTOBER 24, 1909.

GENTLEMEN: I am in receipt of your letter of October 23, 1909, wherein you request

to be informed as to the liquidation of certain entries of sugar imported per steamship Dunbar, October 28, 1904, and also steamship Skiddy, November 24, 1904. In reply I have to inform you that the records of this office show that the entries in question were made by the American Sugar Refining Company and that it is not the practice of this office to disclose the business of one importer of another without first obtaining the authority of the party making entry. If you furnish this office with the written authority of the American Sugar Refining Company to provide you with the information which you request the same will be furnished. Respectfully yours,

J. J. COMLEY,
Deputy Collector.

It might be explained here that the man who sent this letter to Collector Stranahan was not an importer "then or now." He is one of the best known men in the shipping industry. He wrote as the representative of the owners of a vessel. His business was known to the entire customs service.

With this reply, which closed the Custom House to investigators, one more letter was addressed to Mr. Havemeyer. It was dated October 26, 1909, and read:

DEAR SIR: Your communication of October 18, 1909, finally reached me on October 24 owing to an inadvertence in your addressing me. Following out the instructions conveyed in your letter, under acknowledgment, application was made to the New York customs authorities requested at your hands, but they not unreasonably requested that they would be unprepared to furnish the data requested without a written authority in the premises from the American Sugar Refining Company.

The object in asking a verification at your hands of the liquidated weights of the cargoes of sugar of the steamers Dunbar and Skiddy was to endeavor to reconcile some startling differences which were alleged to have been presented between the infake and outturn weight of the cargoes in question. It was deemed more courteous to hear from you in the premises before making the data requested without a written authority in the premises from the American Sugar Refining Company.

To this letter there was no reply. These men did not succeed then in getting the information they wanted to corroborate the evidence they had concerning customs frauds at the port of New York and the conspiracy which had been going on for years to plunder the Treasury. It confirmed their belief that the records of the Custom House were inaccessible to private citizens who desired to show up roteness, but open to the head of